

The Prime Global Cities Index is a valuation-based index tracking the movement in prime residential prices in local currency across 45+ cities worldwide using data from our global research network.



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Prime Global Cities Index

Q1 2021

HEADLINES

Shenzhen

THE CITY WITH THE FASTEST RISING PRIME PRICES IN THE YEAR TO Q1 2021

4.6%

THE INDEX'S ANNUAL INCREASE IN Q1 2021

11

THE NUMBER OF CITIES REGISTERING DOUBLE-DIGIT ANNUAL PRICE GROWTH

67%

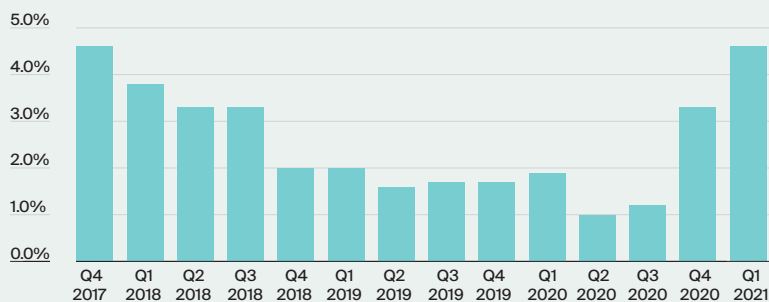
THE PERCENTAGE OF CITIES REGISTERING FLAT OR POSITIVE ANNUAL PRICE GROWTH IN THE YEAR TO Q1 2021

5

THE NUMBER OF ASIAN CITIES IN THE TOP TEN RANKINGS FOR ANNUAL PRICE GROWTH

Prime prices accelerate further in Q1 2021

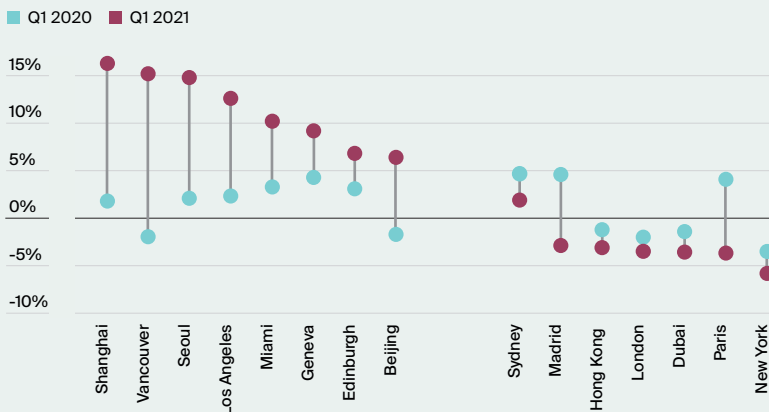
Annual % change



Source: The Knight Frank Prime Global Cities Index

A polarised picture

Annual % change



Source: The Knight Frank Prime Residential Cities Index

Globally, prime residential prices are rising at their fastest rate since Q4 2017.

Prime prices, defined as the top 5% of the housing market in value terms, increased 4.6% on average in the year to March 2021.

Eleven cities registered double-digit priced growth up from just one a year ago.

Low mortgage rates – record lows in some markets – tight stock levels and a desire for space post-lockdown have led to an uptick in demand.

Three Chinese cities – Shenzhen (+19%), Shanghai (+16%) and Guangzhou (+16%) – lead the index this quarter with improving economic sentiment and government investment in the Greater Bay Area of China behind the acceleration. Buyer enthusiasm has persisted despite a new round of curbs being introduced in January.

Vancouver and Seoul (both +15%) complete the top five rankings, here successive cooling measures have been deployed to reduce speculative activity in recent years but local appetite for homebuying remains undeterred. Residential sales in Greater Vancouver increased 22% in 2020 year-on-year.

Auckland, the index's previous frontrunner, has seen prime prices moderate. The slowdown from 18% to 8% is in part due to the base effect – prime prices in Q1 2020 were notably higher than

in Q4 2019 but also the introduction of a new capital gains tax (CGT) for non-primary residences which are bought as an investment and held for less than 10 years. Add to this President Biden's tax proposals and we are already seeing one of the key themes in *The Wealth Report 2021* – the push to curb wealth imbalances exacerbated by the pandemic – gather pace.

However, prime prices aren't rising everywhere.

Some of the world's top metropolises, New York (-6%), Dubai (-4%), London (-4%), Paris (-4%) and Hong Kong (-3%) are seeing prices soften. There are a combination of factors behind each city's negative growth, from long and stringent lockdowns to a backlog of supply and from higher taxes to policy constraints, but in most cases we expect a return to growth in the second half of 2021 once travel bans ease, cross border transactions resume and consumer confidence ticks upwards.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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Prime property definition: The most desirable and expensive property in a given location, generally defined as the top 5% of each market by value. Prime markets often have a significant international bias.

THE KNIGHT FRANK PRIME GLOBAL CITIES INDEX Q1 2021

Ranked by annual % change

	CITY	WORLD REGION	12-MONTH % CHANGE (Q1 2020-Q1 2021)	3-MONTH % CHANGE (Q4 2020-Q1 2021)
1	Shenzhen	Asia	18.9%	6.7%
2	Shanghai	Asia	16.3%	8.5%
3	Guangzhou	Asia	16.2%	12.6%
4	Vancouver	North America	15.2%	6.3%
5	Seoul	Asia	14.8%	1.3%
6	St. Petersburg	Russia & CIS	13.4%	2.5%
7	Los Angeles ^{1,3}	North America	12.6%	2.2%
8	Moscow	Russia & CIS	12.4%	7.3%
9	Taipei	Asia	12.2%	6.5%
10	Miami ^{1,3}	North America	10.2%	2.4%
11	Toronto	North America	10.1%	5.3%
12	Geneva	Europe	9.2%	2.9%
13	Manila	Asia	7.9%	-0.4%
14	Stockholm	Europe	7.7%	4.7%
15	San Francisco ^{1,3}	North America	7.5%	2.2%
16	Auckland	Australasia	7.5%	5.7%
17	Zurich	Europe	7.2%	2.7%
18	Edinburgh	Europe	6.8%	2.2%
19	Beijing	Asia	6.4%	4.3%
20	Perth	Australasia	4.1%	0.2%
21	Brisbane	Australasia	3.8%	1.6%
22	Gold Coast	Australasia	3.5%	1.2%
23	Singapore	Asia	2.5%	0.4%
24	Lisbon **NEW**	Europe	2.4%	1.9%
25	Sydney	Australasia	1.9%	2.0%
26	Frankfurt	Europe	0.8%	-2.2%
27	Melbourne	Australasia	0.4%	0.7%
28	Vienna	Europe	0.4%	0.0%
29	Bucharest	Europe	0.4%	0.3%
30	Dublin	Europe	0.3%	1.0%
31	Monaco	Europe	0.0%	0.0%
32	Delhi	Asia	-0.2%	0.0%
33	Nairobi	Africa	-0.3%	2.7%
34	Jakarta	Asia	-1.3%	-0.1%
35	Berlin	Europe	-1.3%	1.3%
36	Mumbai	Asia	-1.5%	-0.1%
37	Tokyo ²	Asia	-1.6%	-2.4%
38	Bangkok	Asia	-2.4%	0.0%
39	Kuala Lumpur	Asia	-2.5%	-0.8%
40	Bengaluru	Asia	-2.7%	-0.6%
41	Madrid	Europe	-2.9%	0.8%
42	Hong Kong	Asia	-3.1%	1.4%
43	London	Europe	-3.5%	0.1%
44	Dubai	Middle East	-3.6%	0.3%
45	Paris	Europe	-3.7%	-0.3%
46	New York	North America	-5.8%	-1.6%

Notes: Data for New York relates to Manhattan; Data for Los Angeles, Miami, and San Francisco is to February 2021. Data for Monaco is to Q4 2020.

¹ Based on top-tier of mainstream market in metro area. ² Based on all contracts above Yen100m ³ Provisional

Source: All data comes from Knight Frank's global network with the exception of Tokyo (Ken Corporation); New York (StreetEasy); Los Angeles, Miami and San Francisco (S&P CoreLogic Case-Shiller); Berlin and Frankfurt (ZIEGERT Research/ ImmobilienScout 24); Stockholm (Svensk Maklarstatistik); Toronto (Real Estate Board of Toronto); Vancouver (Vancouver Real Estate Board); Zurich and Geneva (Wüest Partner); and Dubai (REIDIN)

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